M1037/0088



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Moab Field Office
82 East Dogwood
Moab, Utah 84532
http://www.blm.gov/ut/st/en/fo/moab.html



IN REPLY REFER TO: 3809 UTU-72499 (UTY012)

CERTIFIED MAIL # 7011 1150 0000 0282 3016 RETURN RECEIPT REQUESTED SEP 2 8 2012

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DIV OF OIL GAS & MINING

DECISION

Lisbon Valley Mining Company LLC

Attn: Lantz Indergard

755 North Main Street, Suite B

Moab, Utah 84532

Surface Management

DETERMINATION OF REQUIRED FINANACIAL GUARANTEE AMOUNT ONGOING OPERATIONS

On August 10, 2012, the Bureau of Land Management (BLM) received Lisbon Valley Mining's request for partial bond release of the 58 acres of surface texturing and grading at waste dump C and transfer this portion of the bond to the cover the 48 acre expansion of waste dump B. The BLM visited the Lisbon Valley Copper Mine on September 5, 2012 to look at the completed earthwork. The waste dump C expansion area is adequately graded. The BLM agrees with the Division of Oil, Gas and Mining to release the grading portion of the bond that covers 58 acres of waste dump C and transfer this portion to cover the expansion of waste dump B. This transfer does not include the application of topsoil to the exposed waste rock in waste dump C and the application of topsoil to the waste dump B expansion. The Mine Plan requires the placement of an evapotranspiration cap, which requires 12-inches of topsoil and the establishment of vegetation. Until we receive a mine plan modification to allow other methods of cover for the waste rock piles, the BLM will require Lisbon Valley Mining to cover this area with topsoil.

The BLM reviewed Lisbon Valley Mining's financial guarantee and considered the requested modifications, the financial guarantee remains unchanged at \$6,076,888 (this was incorrectly quoted as \$6,030,060 in a previous bond decision) for reclamation of the Lisbon Valley Copper Mine. This financial guarantee is already in place with the Utah Division of Oil, Gas and Mining, and it has been accepted and obligated by the Utah BLM State Office.

Appeal of the Decision

If you do not agree and are adversely affected by this decision, you may request that the Utah BLM State Director review this decision. If you request a State Director Review, the request must be received in the Utah BLM State Office at 440 West 200 South, P.O. Box 45155, Salt Lake City, Utah 84145-0155, no later than 30 calendar days after you receive or have been notified of this decision. The request for State Director Review must be filed in accordance with the provisions in 43 CFR 3809.805. This decision will remain in effect while the State Director Review is pending, unless a Stay is granted by the State Director. If you request a Stay, you have the burden of proof to demonstrate that a Stay should be granted.

If the State Director does not make a decision on your request for review of this decision within 21 days of receipt of the request, you should consider the request declined and you may appeal this decision to the Interior Board of Land Appeals (IBLA). You may contact the Utah BLM State Office to determine when BLM received the request for State Director Review. You have 30 days from the end of the 21day period in which to file your Notice of Appeal with this office at Moab Field Office at 82 East Dogwood, Moab, Utah 84532, which we will forward to IBLA.

If you wish to bypass a State Director Review, this decision may be appealed directly to the IBLA in accordance with the regulations at 43 CFR 3809.801(a)(1). Your Notice of Appeal must be filed in this office at Monticello Field Office at 82 East Dogwood, Moab, Utah 84532, within 30 days from receipt of this decision. As the appellant you have the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulations 43 CFR4.21 for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the IBLA, the petition for a stay must accompany your Notice Appeal. Copies of the Notice of Appeal and petition for stay must also be submitted to each party named in the decision and to the Office of the Solicitor at Federal Building Rm-6201, 125 South State Street, Salt Lake City, Utah 84138, at the same time the original documents are filed in this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted based on the standards listed below.

Standards of Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- 1. The relative harm to the parties if the stay is granted or denied;
- 2. The likelihood of the appellant's success on the merits;
- 3. The likelihood of immediate and irreparable harm if the stay is not granted; and
- 4. Whether the public interest favors granting the stay.

If you have any questions, please contact Rebecca Doolittle in person at 82 East Dogwood, Moab, Utah, 84532 or by telephone at (435) 259-2141.

/s/ Jeffrey R. Smith

Jeffrey R. Smith Field Manager

Enclosure

Form 1842-1, Information on Taking Appeals to the Interior Board of Land Appeals.

ce: Tom Munson/UDOGM Opie Abeyta/UT923